

CITY OF BALTIMORE PARKING AUTHORITY, INC.

Request For Proposal

**FOR THE MANAGEMENT OF THE
SAINT PAUL PLACE PARKING GARAGE**

Located at

**210 Saint Paul Place
BALTIMORE, MARYLAND 21202**

Date:

Prepared By:.....

.....

May 16, 2003

Baltimore City Parking Authority, Inc.

Contract Administration

INSTRUCTIONS TO BIDDERS

Thank you for your interest in submitting a bid for a parking garage management agreement with the City of Baltimore Parking Facility. The Baltimore City Parking Authority, Inc., (**“The Authority”**) a quasi-public private non-profit corporation, organized under the laws of the State of Maryland oversees the management of all city owned garages and lots. **In that capacity, and to facilitate the Authority’s management of those assets, the Authority has assumed all of the duties** previously performed by **the City’s Purchasing Agent; and any decision or notice issued by the Authority with regard to this RFP or resultant Management Agreement (“Agreement”) shall be construed as if it was notice from the City Purchasing Agent.**

The Authority would like to call to your attention a substantial change in its solicitations and the formats under which operators have previously bid on parking garage management contracts.

Going forward, bids will no longer be evaluated solely on a **“low bid”** management fee basis, nor will the Authority seek to award solely to **“the most responsive, responsible bidder”**. **The Authority will recommend award of a management agreement based on the proposal that represents the “BEST VALUE” to the Authority as outlined in Section VII Selection Procedures.** Respondents will be short-listed based on a combination of the:

1. best operating plan, **cash controls and revenue enhancement**, management and incentive fee structure,
2. **managing a diverse group of high profile, dissimilar and competing interests in the Facility and**
3. **Presentation of the Respondent’s capabilities in these areas.**

The Authority’s **recommendation for award will be made by a panel of selected representatives from presentations made by all Respondents and subsequent** negotiations with the short-listed candidates who best meet the criteria established in this Request for Proposal. The Authority seeks a responsible bid of the:

1. *Management plan for operating the facility (i.e., cash control, auditing, scheduling of personnel, maximizing income and reducing operating expenses, and utilization of Minority/Women’s Business Enterprises; (See Section IV).*
2. *Respondent’s management fee; (See Exhibit 5)*
3. *Proposed incentive fee; (See Exhibit 5)*

The Authority will evaluate proposals primarily in those three areas. Components of the financial portion of the proposal are:

Management Fee:

1. Salaries travel and accommodation expenses of all executive and supervisory personnel of Respondent **not stationed at the Garage.**
2. General and administrative expenses, including salary or wages of any person employed, in the main or any branch office of the Respondent.
3. Personal property taxes of Respondent's property.

Garage Financing and Tax Status

IRS regulations rule and govern all arrangements for **base management and** incentive fees paid to operators of garages based length of term, amount of incentive payment and based on the source of funding used to finance the garage.

The St. Paul Place Garage ("**Facility**") was financed with taxable bond financing which offers more flexibility than tax-exempt financed garages. The Operator's Incentive Payment proposal shall be subject in all respects and negotiated in accordance with applicable law governing the financing of this Facility.

Revenue Projection and Operating Expenses:

Operator should include a one-year **projection of revenues** and a projected line item expense budget similar to the format attached to this RFP as **Exhibit 1**. It should include but may not be limited to: Payroll & Payroll benefits, Supplies, Uniforms, Repairs and Maintenance, Liability Insurance, Snow Removal, Sweeping, Equipment Preventive Maintenance, Elevator Preventive Maintenance, Miscellaneous Expenses; (**see Exhibit 1-Revenue Projections and Operating Expense Budget**). The Respondent should be prepared to identify those areas of the line item expenses that could be offered to MBE/WBE firms.

Since this is a new parking facility, there is no historical data for operating expenses or revenue projections. As such, Respondent should estimate the operating expenses based on best practices utilized in the industry. Respondent should also show anticipated income as a separate line item on the budget. Respondent should also review the pre-negotiated parking arrangements outlined in **Exhibit 4 - 210 St. Paul Place Garage-Annotated Documents List** in its estimation of revenues and expenses. Respondent should clearly explain the source of any additional income as part of the proposal text under the Revenue Maximization Section of the Operating Plan.

The Respondent can insert additional reasonable and customary line items of expense, but shall not materially alter the supplied format. Respondent should clearly indicate the assumptions used to arrive at the numbers presented. When computing income, please use rates **to be proposed by Respondent in accordance with a market survey of existing rates at similar**

garages within a two (2) block radius of the Facility. Respondent's recommendations should be outlined in the text portion of the proposal.

MBE/WBE Requierments:

A substantial change is underway related to MBE/WBE participation goals.

The Authority has proposed to the City that the Authority, **through its operators,** be held to the goals of the Minority and Women's Business Enterprises ("M/WBE") Ordinance for all of the garages under its management purview and thereby shifting the compliance responsibility from the **solely the** Operator to the Operator and **Authority jointly.** We envision the management fees associated with the prospective **Agreement** to be significantly less than in previous solicitations by the very componentry of the management fee contemplated. With the base management fee being limited to the items 1, 2 & 3 above and all facilities related expenses being reimbursable, the percentage of the **Agreement** relative to ("M/WBE") contracting will be shifted to those line items stipulated within the Operator's budget to be submitted under Exhibit 1 of this RFP. Consequently, for purposes of this RFP and in the making of the **Agreement,** there will be a ("M/WBE") requirement under the **Agreement** limited to a percentage of said line items. Refer to **Section VI and Exhibits 2 & 2A** hereof for details. **The current goals established by the City's Office of Minority and Women's Business Opportunity (M/WBOO) is 17.0%-MBE and 9.0%-WBE of the non-salary related line items listed in the proforma and Exhibit 2.**

Respondents will complete and submit with their bid, its commitment to comply with the Baltimore City - Minority and Women's Business Enterprises Program statement, **and Statement of Intent completed by each MBE or WBE sub-contractor proposed for use attached hereto as Exhibits 2 and 2A.**

I. PROPERTY/SITE DESCRIPTION

- A. The site is located at the address on the cover page in Baltimore's Central Business District in Ward 4, Section 1, Block 608, Lot 14/25, **(See Exhibit 3, Final Subdivision Plat-210 St. Paul Place).** The Saint Paul Place Parking Garage (herein referred to as "the Facility") is being constructed at the time of this RFP on **a 16,000 square foot site identified as Parcel A,** immediately adjacent to the Tremont Hotel on the north and St. Paul Plaza to the south. St. Paul Place and Lovegrove Street (closed) are the eastern and western boundaries of the site respectively.
- B. The Facility is a 13 level, poured in place, open air garage structured parking garage containing 500+/- spaces. **The top level of the Facility is reserved exclusively under a prospective lease to the Tremont Hotel to accommodate its valet parking requirements.**
- C. **The Facility is central to many prominent establishments and businesses such as the Clarence Mitchell Courthouse, St. Paul Church, Mercy Hospital, Tremont Hotel, Downtown Partnership, the Daily Record Building and various municipal**

and commercial office buildings. In addition, the Facility is located along a major transportation routes crucial to servicing vehicular traffic in the downtown core business area.

- D. The Facility will be supplied with two (2) Amano Pay-on-Foot Stations that include credit card processing as well as a Central Cashiering /Manager's Office to facilitate revenue control and provide convenient methods of payment for a diverse customer base. The pay stations will be located in the St. Paul Place lobby at the ground level.
- E. The Facility is currently scheduled to operate on a twenty-four (24) hour basis, seven (7) days per week, and three hundred sixty five (365) days annually. However, the Authority seeks creative solutions for staffing during non-peak hours of operations. Initial parking rates are to be proposed by the Respondent based on a market survey of similar garages within a 2 block radius of the Facility
- F. As consideration to conveying the site to the City, adjacent property owners and other interested parties have negotiated certain easements and rights to adjacent access points surrounding and through the Facility for pedestrian/vehicular access, access for servicing equipment and other facilities related and not necessarily related to the Facility. In addition, the Tremont Plaza Hotel, (a major supplier of demand for self and valet parking in the Facility), CitiFinancial (250 spaces), and other area establishments have pre-negotiated parking arrangements in the Facility. All of these rights, easements and parking arrangements are more particularly described in Exhibit 4-210 St. Paul Place Garage Annotated Document List. Respondents are strongly encouraged to familiarize themselves with these documents in the preparation of their proposal.

I.1 Commencement of Operations

The scheduled opening for the Facility is September 19, 2003; however it is the Authority's intent to have an operator selected during the month of August to begin attending construction progress meetings and weekly inspections of the Facility's substantial completion progress, familiarize itself with the various components of the Facility, and refine its specific operating plan for the Facility.

I.2 Examination of Site

Respondents shall be able to inspect the Facility and satisfy themselves as to its condition only upon the consent of the Project Manager for the Baltimore Development Corporation, Ms. Irene Van Sant. An organized walk-thru can be arranged for all Respondents short-listed for further consideration of their proposal. The intent of the inspection is to eliminate conflicts, confusion, or unknowns, which would increase the Facility's operating expenses. Any and all conflicts should immediately be brought to the attention of the Authority.

II. TERMS OF OFFERING

The Parking Authority of Baltimore City, Inc. (“**Authority**”) is seeking competitive proposals from interested parties, (hereinafter referred to as the “**Respondent(s)**”) who are willing and able to negotiate and enter into a three (3) year **Agreement** to operate, and manage the Facility as a public parking garage in accordance with the terms of this RFP and in accordance with the policies and objectives for the Facility as established by the Authority in the Agreement. In addition, the Respondent will manage the Facility consistent with “*best-in-class*” garage management practices in the areas of financial reporting, **cash control**, customer service, facility maintenance and public safety.

The goals of the Authority in offering an Agreement on the Facility, include; but are not limited to, the following:

- A. To establish efficient parking operations that serve the monthly customers of major employers, commercial tenants, and provide **maximized** daily transient parking opportunities, accommodate special parking programs, occasional event parking for **hotel** sponsored functions, tourist attractions, and neighboring residential developments. **A complete and accurate listing of all pre-existing commitments made by the City to these entities is delineated in Exhibit 4;**
- B. To provide a positive and beneficial **parking experience to all garage patrons who utilize the Facility.** This is to be accomplished by providing functional, first-class, clean, excellent state-of-repair, secure and efficient parking for its customers;
- C. **To interact with the Tremont Hotel, CitiFinancial and other major stakeholders in the area of valet parking, operations, customer service and other matters that arise from time-to-time. The Respondent must demonstrate its ability to negotiate solutions recommend and present alternatives mutually beneficial to all parties;** and
- D. Provide an escalating, maximized and auditable stream of revenue to the Authority through the remittance of parking revenue. Respondent should also provide fiscally prudent management of the Facility by meeting a pre-approved operating expense budget **to be proposed by the Respondent.**

III. AGREEMENT AND CONDITIONS

The final terms of the **Agreement** shall be determined in the course of negotiations, but some of the essential terms will be, without limitation:

- A. The parking operation and the Facility, shall respect the character of the area and the parking operations shall use “Best-in-Class” urban parking practices recognized within the Baltimore-Washington Area.

- B.** The Authority will offer the Facility to an Operator as a singular structured parking facility for a term of three (3) years.
- i. The successful Operator will assume and pay ALL expenses in connection with the operations of the Facility according to the pre-approved operating budget, collect all revenue and deposit into a City account designated by the Authority on a daily basis, and the Authority shall reimburse the Operator at the end of each month upon submittal of all invoices. All expenses in excess of \$500.00 of the budget amount for that month must be pre-approved by the Authority prior to reimbursement.
 - ii. No storage of materials, refuse, garbage, unlicensed vehicles, etc., shall be permitted to remain on the Facility, except as allowed by Baltimore City Regulations. All dumpsters or trash receptacles shall be screened from view at all times.
- C.** The Operator will respect and accommodate existing long-term agreements made with major employers in the vicinity of the Facility previously made by the City. (**See Exhibit 4**).
- D.** The Operator shall accommodate the reasonable request from the Authority to supply parking accommodations to various entities for special events, programs, etc., consistent with the Terms of Offering hereof.
- E.** The Operator will be required to provide insurance coverage as follows:
- | | |
|---------------------------------|--|
| Commercial General Liability | \$1,000,000 combined single limit each occurrence for bodily injury and property damage. |
| Umbrella Excess Coverage | \$5,000,000 |
| Garage keeper's Legal Liability | \$5,000,000 combined single limit each occurrence |
| Crime: Policy Limits: | \$10,000 commercial blanket
\$10,000 broad form money inside
\$10,000 broad form money outside |
| Workers' Compensation: | Coverage A – Statutory
Coverage B - \$100,000 |
- F.** Business Automobile Liability shall be provided at limits of not less than One Million Dollars (\$1,000,000) per occurrence for all claims arising out of bodily injuries or death and property damages. The insurance shall apply to any owned, non-owned, leased, or hired automobiles used in the performance of the prospective **Agreement**.

- G.** The Mayor and City Council of Baltimore, its elected/appointed officials, and employees, The Baltimore City Parking Authority, Inc. and its employees shall be covered, by endorsement, as additional insureds as respects to: liability arising out of activities performed by or on behalf of the Operator in connection with the prospective **Agreement**.
- H.** The Operator's insurance shall apply separately to each insured against whom claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability. To the extent of the Operator's negligence, the Operator's insurance coverage shall be primary insurance as respects the City, its elected/appointed officials, employees, and agents. Any insurance and/or self-insurance maintained by the City, its elected/appointed officials, employees, or agents shall not contribute with the Operator's insurance or benefit the Operator in any way.
- I.** Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims paid, until after forty-five (45) days prior written notice has been given to the Authority. There will be an exception for non-payment of premium, which is ten (10) days notice of cancellation.
- J.** Insurance is to be placed with insurers with a Best's rating of no less than A: VII, or, if not rated with Best's with minimum surpluses the equivalent of Bests' surplus size VII and must be licensed/approved to do business in the State of Maryland.
- K.** The Operator shall furnish the Authority a Certificate of Insurance" with a copy of the additional insured endorsement as verification that coverage is in force. The Authority reserves the right to require complete copies of insurance policies at any time.
- L.** Failure to obtain insurance coverage as required or failure to furnish Certificate(s) of Insurance as required may render the prospective **Agreement** null and void; provided, however, that no act or omission of the Authority shall in any way limit, modify or affect the obligations of Operator under any provision of the prospective **Agreement**.

M. WAIVER OF SUBROGATION:

Neither Operator nor Authority shall be liable to the other for having caused or contributed to any occurrence which gives rise to a casualty or claim required to be insured under the prospective **Agreement**. All policies of insurance to be obtained by the Operator shall provide that any loss shall be payable notwithstanding any act or omission of the Authority or Operator that might otherwise result in a forfeiture or disclaimer of such insurance by the carrier. The insurance carried by the Operator shall provide for (i.e., consent to) the waiver of subrogation against the Authority.

N. INDEMNIFICATION:

- i. The Operator shall indemnify, defend, and hold harmless the City, its elected/appointed officials, employees, agents, and volunteers from any and all claims, demands, suits, and actions, including attorney's fees and court costs, connected therewith, brought against the City, its elected/appointed officials, employees, agents, and volunteers, arising as a result of any direct or indirect, willful, or negligent act or omission of the Operator, its employees, agents, or volunteers, EXCEPT for activities caused by the sole negligent act or omission of the City, its elected/appointed officials, employees, agents, and volunteers arising out of the prospective **Agreement**.
- ii. Nothing contained in this RFP or in the **Agreement** shall be construed to constitute or create any employment or agency with the City. The Operator is not, and shall not be, an agent or employee of the City or Authority.

IV. PROPOSAL CONTENT & EVALUATION CRITERIA

The Respondent is required to submit the following information in sufficient detail to enable Authority to give consideration to and evaluate the Contract proposal. **See Section VII for Selection Procedures.**

- A. FIRM'S EXPERTISE** - A detailed narrative statement describing the previous experience of the parking management company demonstrating how the Respondent **has assumed control of a new facility, initiated a start-up garage operation with technology similar to that installed in the Facility, managed multiple diverse relationships established by an owner,** substantially increased revenues, and reduced expenses for an owner. Provide at least **two (2) references** from owners with whom the Respondent has a management contract for a structured parking facility on the basis established above. Include the reference phone number, fax number, physical and e-mail addresses, and dates of the contract.

Also include in this section any contract terminations that have occurred over the past five years involving "for cause termination" or "default". **(Limit Section A to 3 pages).**

- B. FIRMS FINANCIAL CAPABILITY** - Respondent must provide documentation of its financial sufficiency to fulfill its contractual obligations in connection with a prospective **Agreement**. **(Limit 2 pages)**

- C. OPERATING PLAN** - A plan of operations that addresses the terms and conditions of the prospective **Agreement**; to include but not be limited to the following:

1. A brief description of the Respondent's organizational structure that would support the project. **(Limit 1 page)**
2. A staffing schedule by position, hours worked per week, rate of pay, weekly payroll, and annual payroll. **(Limit 2 pages)**

3. A narrative explaining the Respondent's Revenue Control and Cash Procedures. **(Limit 3 pages)**
4. A brief narrative of quality assurance mechanisms and how bidder intends to guarantee contract compliance and total satisfaction on the part of the Authority. **(Limit 3 pages)**
5. A narrative of the methods used to Maximize Revenues, including a Marketing Plan for the Facility. **(Limit 5 pages)**
6. A narrative of the methods used to Minimize Expenses for the Facility **(Limit 5 pages)**
7. Provide sample reporting that will be provided to the Authority on a monthly basis.
8. A brief narrative of the amenities Respondent provides to customers of the Facility. **(Limit 2 pages).**
9. A brief narrative of facility maintenance. **(Limit 3 pages)**
10. Proposed hour of operations and Rates. **(Limit 1 page)**
11. Signage Recommendations **(Limit 5 pages)**
12. Emergency Procedures

D. PROPOSED FEES - Proposed management and incentive fees based on Gross Revenue. **Fees based on other methods may be cause for rejection of the Respondents proposal.**

E. CAPITAL EXPENDITURES -In this section the Respondent should address any capital expenses that the Respondent proposes to enhance the revenue or the aesthetics or security of the Facility. This may be in the form of revenue control equipment, restriping the Facility, enhanced lighting etc.

F. MBE/WBE PARTICIPATION -In the making of the prospective **Agreement**, the Authority encourages opportunities for minority and women business enterprises (MBE/WBE) to be utilized in connection with the servicing of this **Agreement**. Refer to **Section VI, Exhibits 2 and 2A** hereof for details.

V. SUBMISSION REQUIREMENTS, PROPOSAL ACCEPTANCE, REJECTION, ADDENDA AND SUPPLEMENTS

Proposals should be prepared in a professional manner and, provide a clear and concise overview of the Respondent's ability to increase revenues and satisfy the requirements of this RFP. Proposals may include any background or other supporting information that the Respondent feels necessary, and must include at a minimum the response requirements listed in **Section IV** hereof. The Authority will not be limited solely to the information provided by the Respondent, but may utilize other sources of information useful in evaluating the capabilities of the Respondent. Unique capabilities or advantages of the Respondent should be clearly stated in the proposal.

A. Submission Requirements

An original plus four (4) copies and one electronic version on CD-ROM or 3.5 Floppy Disc of the proposal must be submitted to the Director, Contract Administration before the closing date and time stated in **Section IX**. **Proposals should be formatted with the following in mind:**

- i. Provided in sealed envelopes or packages and clearly marked as to its contents.
- ii. Oral, fax, telegraphic, electronic mail or mail-gram proposals will not be accepted.
- iii. Proposals or unsolicited amendments to proposals arriving after the closing date and time will not be accepted.
- iv. Failure to submit the proposals in the manner described above will result in the proposal being rejected as unresponsive.

Proposals shall be submitted with a \$25.00 non-refundable fee. The \$25.00 fee shall be refundable should the Authority reject all proposals submitted. **Checks should be made payable to the Baltimore City Parking Authority, Inc. All proposals not accompanied by this fee will be returned and marked rejected.**

B. Proposal Acceptance

To be considered, Respondent shall submit a complete, written response to this RFP, including any addenda issued in response to questions and inquiries. It is essential that each Respondent adhere to these guidelines and the Proposal Contents listed in **Section IV**. **Failure to do so will be grounds for rejection of the proposal.**

Authority will designate and assemble a panel to review and analyze the submissions. The review panel shall make its advisory recommendation(s) based on adherence to criteria in **Sections IV, VI, & VII** outlined in this RFP.

C. Addenda and Supplements to the RFP

Should it become necessary to revise any part of this RFP, provide additional information necessary to adequately interpret provisions and requirements of this RFP, or respond to written inquiries concerning the RFP, an Addendum to the RFP shall be provided to all entities that received the initial RFP.

D. Cancellation of the RFP; Rejection of all Proposals

The Authority may in its sole discretion, cancel this RFP, in whole or in part, or reject all proposals submitted when this action is determined to be advantageous or in the best

interest of the Authority. The \$25.00 fee shall be refunded should the Authority reject all proposals.

VI. MBE/WBE Participation

It is the policy of the City of Baltimore that minority individuals, minority and women's business enterprises have the maximum opportunity to participate in any ownership, financing, management, operations, and employment. The Authority supports this policy and encourages all Respondents to commit to the program goals.

The Respondent will complete and submit with its bid, its commitment to comply with the Baltimore City - Minority and Women's Business Enterprises Program statement attached hereto as **Exhibit 2. The successful Respondent will be required to additionally submit a Statement of Intent completed and executed by the specific City certified M/WBE sub-contractor. This document shall be submitted to the City's M/WBOO Office for review and approval prior to recommendation for award (See Exhibit 2A- Statement of Intent).**

VII. SELECTION PROCEDURES

Eligibility for Selection

In order to be eligible for selection resulting from this RFP, the Respondent must clearly demonstrate to Authority that its proposal represents the **"BEST VALUE" to the City** as follows:

- A. A proposal possessing the Best Value is one** that can clearly demonstrate to the satisfaction of Authority that Respondent will operate a high quality parking operation that i.) supports the **specific requirements identified for this Facility as to pre-negotiated arrangements, ii.) generates substantial revenue, and iii.) supports parking needs for the general public.**
- B.** A comprehensive management plan for operating the Facility in the areas of cash control, auditing, scheduling of personnel, maximizing income, reducing operating expenses, and utilization of Minority/Women's Business Enterprises.
- C.** The Authority will focus on the components of the Respondent's base management fee and creativity in proposing the incentive fees that serve to maximize utilization in the garage, managing diversity of monthly and transient parkers, utilization of technology to reduce operating expenses and creative methods of developing additional income through enhancing services to customers; i.e. car care, auto detailing, etc.
- D. A proposal possessing Best Value is one** that also complies with the method and timeliness of submission, conformance to the requirements of the RFP, the program goals, and the ability of the Respondent to achieve those goals.

- E. E Each Respondent must be registered in the State in which the Facility is located, possess **or** obtain, prior to award, the necessary permit(s) as required by law, **and have a local office in or within close proximity to the City of Baltimore.**
- F. The selected Operator shall obtain, maintain, and keep in full force and affect the types of insurance described in the RFP. The successful Respondent should deliver such Certificates of Insurance to Authority at least ten (10) days prior to the start of the Agreement.

Oral Presentations

Respondents will be required to make oral presentations to **panel members selected by the Authority** for purposes of clarifying their proposal **following which three candidates will be selected for the short-list of Respondents for further consideration.** Oral presentations will be held at the offices of the Parking Authority **at 200 West Lombard Street, Suite B.** **The short-listed candidates will be asked to further refine and/or further clarify their proposal in a follow-up presentation from which the panel will make its recommendation to the Parking Authority's Board of Directors.**

Approval by the Parking Authority Board of Directors

The Parking Authority will summarize and recommend its selection to its Board of Directors. Following approval by the Board, the Agreement will be prepared on behalf of the Authority **and submitted to the successful Respondent.**

Exclusive Negotiating Period

The Authority will **enter into limited negotiations** with the selected Respondent setting out specific requirements for fulfilling the terms and conditions of this RFP, the Respondent's proposal, **and the Agreement.** If negotiations have not been completed within thirty (30) days after the selection of a Respondent, then the Exclusive Negotiating Period shall expire; provided, however, that the Authority may extend that time period if both parties find that negotiations are proceeding satisfactorily. Should the parties fail to agree upon the terms of the **Agreement** within a reasonable time, the Authority, at its sole discretion, may cancel negotiations with the first selected Respondent and proceed with the next acceptable Respondent, re-solicit for new proposals, or abandon the RFP. Upon completion of negotiations, the selected Operator shall execute six (6) originals of the prospective **Agreement** and return to the Contract Administrator for presentation to the City's Board of Estimates.

Board of Estimates Approval

- i Decisions regarding selection of the Respondent shall be made by the Parking Authority and recommended to the Board of Estimates for its formal approval. The final acceptance of any proposal and resultant **Agreement** is subject to the approval of the Board of Estimates of Baltimore City. Unless and until approval by the Board of Estimates, the **Agreement**

contemplated herein shall be null and void and of no legal effect. Upon approval from the Board of Estimates, official notices of successful Respondent's award will be sent to each Respondent.

- ii **Nothing contained in this RFP shall obligate the Authority to conduct a post-award debriefing to unsuccessful Respondents.**
- iii The successful Respondent must be able to mobilize, transition, and assume control of the Facility from the current operator within ten (10) days from the Authority's notice to proceed.

VIII. RIGHTS RESERVED BY AUTHORITY

- i. The Authority reserves the right in its sole discretion to recommend or not recommend the award of an **Agreement** related to this RFP based upon the written proposals received by the Authority. All portions of this RFP and the Respondent's proposal will be considered a part of the **Agreement** and will be incorporated by reference.
- ii. The Authority reserves the right, in its sole and absolute discretion, to accept or reject any and all proposals received as a result of this RFP. **If in the best interest of the City, the Authority rejects all proposals, all submittal fees shall be refunded in full to the Respondent.**
- iii. No proposal may be withdrawn for a period of ninety (90) days subsequent to the Proposal Due Date without the consent of Authority
- iv. **No interpretation, explanation, or clarification of the Contract will be binding on Authority unless reduced to writing and signed by the Executive Director of the Authority.**

IX. ADMINISTRATIVE INFORMATION

Issue Date

The issue date of this RFP is **May 23, 2003**. For a schedule of events for this **RFP** see **Section X**.

Pre-Proposal Conference

A Pre-Proposal Conference will be held on **June 10, 2003**, beginning at **10:00 a.m. at the Issuing Office**. Attendance is not mandatory; however, information presented will be valuable in the preparation of proposals, and all interested Respondents are urged to attend.

Respondents are limited to no more than three (3) representatives. If you plan to attend, you must contact Melvin Pierce at (443)573-2800, extension 850, before **4:00 PM on June 6, 2003**.

Questions and Inquiries

Questions and Inquiries, both verbal and written, will be accepted from Respondents attending the Pre-Proposal conference. Questions apart from the Pre-Proposal conference must be in writing. A summary of all substantive questions and answers will be distributed to all entities receiving the RFP. Questions and inquiries should be directed to the person referenced with the Issuing Office. The closing date for submitting written questions is 5:00 p.m. **on June 13, 2003.**

Responses to all written questions received, (if any) will be distributed to all recipients of the RFP on or before **June 17, 2003.**

Closing Date for Proposals

The closing date for receipt of proposals is 4:00 p.m., June 23, 2003. Respondents who submit their proposals by mail or delivery service should allow sufficient mailing and delivery time to ensure receipt by the Issuing Officer by the time and date stated above. Proposals will not be opened publicly.

Issuing Office

The Baltimore City Parking Authority, Inc. issues this RFP. All proposals, whether mailed or hand delivered, must be received by 4 pm **June 23, 2003** by:

Baltimore City Parking Authority, Inc.
200 West Lombard Street Suite B
Baltimore, Maryland 21202
Attention: Mr. Melvin Vincent Pierce,
Director, Contract Administration.

Incurring Expenses

Neither the Authority, nor City shall be responsible for any cost incurred by any Respondent in preparing and submitting a proposal or requested supplemental information in response to the RFP.

Duration of Proposal

Proposals are to be valid and irrevocable for a period of ninety (90) days following final date for submission of proposals.

Public Information Act Notice

Respondent should give specific attention to identifying those portions of their proposals that they deem to be confidential, proprietary information, or trade secrets and provide any

justification of why such material, upon request, should not be disclosed by Authority under the Maryland Public Information Act SS 1-601 et seq. of the State Government Article, Annotated Code of Maryland.

Compliance with the Law

By submitting an offer in response to this RFP, the Respondent selected for award agrees that it will comply with all Federal, State, and City laws, rules, regulations, and ordinances applicable to its activities and obligations under this RFP and the Contract.

X. SCHEDULE OF EVENTS:

Advertisement:	May 23 thru June 23, 2003
Date for obtaining RFP:	May 23 thru June 23, 2003
Pre-Proposal Conference:	June 10, 2003
Due date for all written questions:	June 13, 2003
Responses to Questions Distributed	June 17, 2003
<u>Proposals Due:</u>	<u>June 23, 2003</u> <u>(4:00 p.m.)</u>
Presentations	July 1 thru July 11, 2003
Recommendation for Award:	July 18, 2003
Award Date	July 13, 2003
Estimated Start Date:	August 27, 2003

G: contractsStPaulPlaceRFP

EXHIBIT 1 - REVENUE PROJECTION & OPERATING EXPENSE BUDGET

Revenues	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Annual Total
Monthly													-
Transient													-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Parking Tax													-
Total Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Number of Pay Periods</i>	3	2	2	2	2	2	3	2	2	2	2	2	
Expenses													
Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Benefits													-
Supplies													-
Uniforms													-
Repairs and Maintenance													-
Snow Removal													-
Sweeping													-
Phone													-
Utilities													-
Management Fee													-
Misc Expenses													-
Total Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Equipment													-
Amortization Expenses													-

EXHIBIT 2

COMMITMENT TO COMPLY WITH THE MINORITY AND WOMEN'S BUSINESS ENTERPRISE PROGRAM OF THE CITY OF BALTIMORE

Article 5, Subtitle 28 of the Baltimore City Code (Edition 2000) is incorporated into this Agreement by reference. The failure of Operator to comply with this Subtitle is a material breach of contract.

Operator agrees to comply with this subtitle regarding participation by Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE) in its operation of the **Saint Paul Place Garage located at 210 St. Paul Place**. Operator covenants and agrees to use all reasonable good faith efforts to meet the MBE and WBE participation goals stated in the Request for Proposal for this parking facility, specifically with respects to, but not limited to, the non-salary related expenses listed below:

- a. Trash Removal
- b. Supplies
- c. Uniforms
- d. Repairs and Maintenance
- e. Snow Removal
- f. Janitorial
- g. Security
- h. Window Cleaning
- i. Phone Maintenance and Installation
- j. Accounting and bookkeeping
- k. Legal and other professional services
- l. Miscellaneous Expenses

The names, scope of services and dollar amounts of the MBE/WBE's that will be used to achieve the MBE and WBE participation goals must be submitted to the Authority prior to execution of the operating agreement.

Operator agrees to submit the following to the Minority and Women's Business Opportunity Office when requested:

- (1) Copies of signed agreements with the business enterprises being utilized to achieve the contract goals;
- (2) Reports and documentation, including canceled checks, verifying payments to the business enterprises being used to achieve the contract goals; and

- (3) Reports and documentation on the extent to which the Operator has awarded subcontracts to minority and women's business enterprises under contracts not affected by Article 5, Subtitle 28.

In the event that after reasonable and good faith efforts to meet the goals, Operator is able to demonstrate to the satisfaction of the Minority and Women's Business Opportunity Office that sufficient qualified and willing MBE's and WBE's are unavailable in the market area of the project as defined by the MBE law, then the Operator may request a waiver or reduction of the MBE and/or WBE goals.

The City of Baltimore's Minority and Women's Business Opportunity Office, or its successor, is designated to administer the provisions of the law on behalf of the Authority. Operator shall comply with the rules and regulations of the MWBOO or its successor in meeting the requirements of the law.

THE UNDERSIGNED DO SOLEMNLY DECLARE AND AFFIRM THAT THEY ARE AUTHORIZED TO MAKE THIS COMMITMENT.

FOR: _____

BY: _____

BY: _____

DATE: _____

Chief, Minority and Women's Business Opportunity Office

Mr. Thomas Corey

Anticipated Starting Date

Date: _____

EXHIBIT 2 - A

STATEMENT OF INTENT

Project Name: _____

Name of Prime Contractor: _____

Name of MBE or WBE: _____

MBE or WBE Certification Number: _____

Work/Service to be performed by MBE or WBE:

Materials/Supplies to be furnished by MBE or WBE:

Subcontract Amount: \$ _____

The undersigned Prime Contractor and subcontractor agree to enter into a contract for the work/service indicated above for the dollar amount or percentage indicated, subject to the prime contractor's execution of a contract with the City of Baltimore for the above referenced contract number. The undersigned subcontractor is currently certified as an MBE or WBE with the City of Baltimore Minority and Women's Business Opportunity Office.

Signature of Prime Contractor (**REQUIRED**)

Date

Signature of MBE or WBE (**REQUIRED**)

Date

EXHIBIT 3

FINAL SUBDIVISION PLAT 210 ST.PAUL PLACE

EXHIBIT 4

210 St. Paul Place Garage Annotated Document List

State Documents (“One Maryland Investment”)

1. Development Agreement, by and between the Maryland Economic Development Corporation (MEDCO) and the Mayor and City Council of Baltimore, approved by the Board of Estimates on November 7, 2001.

Agreement approved MEDCO as the City’s developer, the conveyance of site to MEDCO during construction and the disbursement of the \$3,000,000 “One Maryland” investment.

2. Financing Agreement, by and between the Maryland Department of Business and Economic Development (DBED) and the Mayor and City Council of Baltimore, approved by the Board of Estimates on November 7, 2001.

Agreement approved cash flow sharing arrangement with DBED in return for \$3,000,000 “One Maryland” investment in the St. Paul Garage. Included in Article I “Definitions” are the accounting rules and permitted deductions for calculating net cash flow.

For purposes of the prospective Agreement, profit sharing shall be the City’s responsibility as owner of the Facility. The Operator shall have no responsibility in this regard except as directed by the Authority.

3. Investment Agreement, by and between the Maryland Economic Development Corporation (MEDCO) and the Department of Business and Economic Development (DBED), executed on December 7, 2001.

Agreement governed the \$3,000,000 investment, disbursed by DBED to MEDCO. The City is not a party to this Agreement. Please note both parties executed a First Amendment to the Investment Agreement on January 18, 2002.

4. Deed for St. Paul Street Parking Facility, by the Mayor and City Council to convey Parcel A to MEDCO during construction, dated July 2, 2002. This deed was not recorded.

Subdivision and Easement Agreements

5. Final Subdivision Plat No. 210 St. Paul Place approved June 6, 2001 and recorded in the Baltimore City Land Records on May 9, 2002 (F.M.C. No. 3704). Parcel A is the

“Garage” site. Cone Alley where the pedestrian walkway to Charles Street is located was created as a public right of way. Parcels B and D are to be conveyed to the Tremont Plaza Hotel for the new constructed “Addition/Connector” from the Hotel to the Masonic Building. Parcel C will be conveyed to the Daily Record.

6. Declaration of Easements (land related to St. Paul parking facility between Saratoga and Lexington Streets), by the Mayor and City Council as “Declarant”, approved by the Board of Estimates on April 24, 2002 and recorded in the Baltimore City Land Records on June 10, 2002 (F.M.C. No. 2537, Folio 47).

The Agreement does the following:

- A. Grants to St. Paul Plaza, Wayne-Rocks L.P. (Downtown Partnership Building), 225 North Charles Street L.P. (Masonic Building, renamed “Charles Palace”), St. Paul’s Church, The Daily Record and the Tremont Plaza Hotel an easement in, to, over and across Lovegrove- Dark Lane Access Area for pedestrian and vehicular access, ingress and egress.

- The City is responsible for the maintenance of the Lovegrove- Dark Lane Access Area.
- 225 North Charles Street L.P. is constructing an elevated walkway over the Lovegrove – Dark Lane Access Area on Parcel D of the Subdivision. The Partnership must maintain, repair or replace the supports or improvements in the air rights that constitute the “elevated walkway” or “hotel addition” in the Lovegrove-Dark Lane Access Area plus there are restrictions on what improvements may be constructed or located in the Access Area. In all cases, the Partnership may not interfere with the Access Area for use of pedestrian and vehicular access.

- B. Grants to Wayne-Rocks L.P. and 225 North Charles Street L.P. Hotel an easement under the pedestrian footbridge from the garage to Charles Street (known as Cone Alley) for locating mechanical, electrical and similar equipment, trash containers, delivery to and from the respective buildings at 217 and 225 North Charles Street and secondary access to the respective buildings. Parking of vehicles under the footbridge was specifically excluded from the permitted uses. The City grand fathered all existing improvements on the Masonic Building that were in the public right-of-way; any new items require the authorization from the City under a minor privilege, franchise or other agreement. The City bears no responsibility for the maintenance of this area other than for the structures or other supports for the pedestrian footbridge.

- C. Grants to Tremont Plaza Hotel an easement in the northeast corner of Parcel A on the Subdivision plat (between the garage and the hotel in what was Porter Alley) for vehicular and pedestrian access.

- D. Grants to easements in Parcel A and Parcel D to public and private utilities located in the Lovegrove –Dark Lane Access Area. Public utilities include water, and storm water lines. Private utilities include Verizon and BG&E.
 - E. Grants to Wayne-Rocks L.P. and 225 North Charles Street L.P. Hotel temporary construction easement of 15’ in Parcel A and the Lovegrove- Dark Lane Access Area adjacent to and adjoining Parcel D after notification to the City. No use may block or interfere with the operation of the garage or the Lovegrove- Dark Lane Access Area.
7. Easement Agreement, by and between the District Chilled Water General Partnership t/a “Comfort Link” and the Mayor and City Council, approved by the Board of Estimates on October 23, 2002 and recorded in the Baltimore City Land Records on October 30, 2002 (LIBER 3031, page 203 - 257).

Agreements grants an easement for the installation, construction, operation, maintenance and repair of equipment and for the transmission of chilled water lines in Parcels A and D of the Subdivision (underground through the closed portion of Lovegrove Street and above ground through the Garage). The City bears no responsibility for these chilled water lines and Comfort Link agrees not to interfere with the operation of the Garage.

Please note: Comfort Link will provide emergency contact and cutoff procedures for the City to provide to the operator.

8. Right-of-Way Agreement, by and between Baltimore Gas and Electric Company (BG&E) and the Mayor and City Council, approved by the Board of Estimates on April 2, 2003 and recorded in the Baltimore City Land Records on (pending).

Agreement grants BG&E access at all times to install, maintain and operate underground electric lines, including cables, conduit, transformers, etc. (the “electric facilities”), upon, under and across the land known as the 210 St. Paul Place Garage (the “Garage”) to provide electricity to 225 North Charles Street which is owned by the 225 North Charles Street Limited Partnership. The electric facilities are owned and maintained by BG&E. The electric facilities servicing the Garage are locate din the same area. BG&E deals directly with the respective owner (The garage or 225 North Charles Street L.P.) in handling service.

If the City determines to raze (and not reconstruct) the Garage, the City will relocate the electric facilities serving 225 North Charles Street off of the Garage site at the City’s sole cost. BG&E continues to have responsibility, at its sole cost, for the electric facilities located in Cone Alley (a public right-of-way) which service 225 North Charles Street. This is in accordance with BG&E’s franchise agreement with the City.

Right-of-Entry

9. **Right-of-Entry**, between 225 North Charles Street Limited Partnership and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002. Agreement permits a Right-of-Entry to 225 North Charles Street L.P. to commence with construction of the hotel addition on July 2, 2002. The Right-of-Entry will terminate when the City conveys Parcels B and D to the Tremont Plaza Hotel and 225 North Charles Street L.P. respectively.

Property Acquisition (Option Agreements)

10. **Board of Estimates Memorandum** approving Option Agreements on April 24, 2002.

11. Wayne Rocks Limited Partnership

- Option for Wayne-Rocks Right-of-Way Conveyance Area, between Wayne-Rocks Limited Partnership and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002.
- Notice of Election to Mark Levy signed by M. J. Brodie, dated June 3, 2002
- Deed for Right-of-Way from Charles Street to St. Paul's Street Parking Facility, dated June 17, 2002 and recorded in the Baltimore City Land Records on July 1, 2002 (F.M.C. 2639, page 377).

12. 225 North Charles Street Limited Partnership

- Option for 225 Partnership Right-of-Way Conveyance Area, between 225 North Charles Street Limited Partnership and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002.
- Notice of Election to W. Christopher smith signed by M. J. Brodie, dated June 3, 2002
- Deed for Right-of-Way from Charles Street to St. Paul's Street Parking Facility, dated June 20, 2002 and recorded in the Baltimore City Land Records on July 1, 2002 (F.M.C. 2639, page 383).

13. Vestry of St. Paul's Parish of Baltimore Co.

- Option for St. Paul's Church Interest in Lovegrove Street, between Vestry of St. Paul's Parish of Baltimore Co., and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002.
- Notice of Election to Reverend David C. Cobb signed by M. J. Brodie, dated June 3, 2002
- Deed for Interest in bed of Lovegrove Street, dated June 19, 2002 and recorded in the Baltimore City Land Records on July 1, 2002 (F.M.C. 2639, page 369).

14. The Daily Record

- **Option from The Daily Record Allowing Closing of Porter Alley, between The Daily Record and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002.**
- **Notice of Election to Christopher Eddings signed by M. J. Brodie, dated June 3, 2002**
- **Deed for Interest in bed of Porter Alley, dated June 25, 2002 and recorded in the Baltimore City Land Records on July 1, 2002 (F.M.C. 2639, page 373).**

15. Tremont Plaza Hotel, LLC

- **Option from the Tremont Plaza Hotel Allowing Closing of Porter Alley, between the Tremont Plaza Hotel, LLC and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002.**
- **Notice of Election to W. Christopher Smith signed by M. J. Brodie, dated June 3, 2002**
- **Deed for Interest in bed of Porter Alley, dated June 20, 2002 and recorded in the Baltimore City Land Records on July 1, 2002 (F.M.C. 2639, page 340).**

Parking Agreements

- 16. Parking Agreement and Lease, by and between Wayne-Rocks Limited Partnership and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002 and recorded in the Baltimore City Land Records on September 4, 2002 (F.M.C. No. 2845, Page 254).**

The City will provide six (6) parking spaces each to Wayne-Rocks for its employees and tenants in the Garage, once it is completed, under the following terms

Year 1	\$50 per space per month
Year 2	\$75 per space per month
Year 3	\$100 per space per month
Year 4	\$125 per space per month

Wayne-Rocks shall make monthly installment for the spaces in advance on the first day of each month when payment due. The City will charge a late fee, interest on such delinquent payments at the Prime Rate of interest as published in the Wall Street Journal plus 3%.

There will be no cost to Wayne-Rocks for the initial magnetic cards controlling access to the Garage. Wayne-Rocks is responsible for all replacement magnetic cards. Parking spaces will be made available from 6:00 AM to 6:00 PM on weekdays and 6:00 AM to 1:00 PM on weekends.

At the end of Year 4, Wayne-Rocks has the right to continue the lease of the six spaces at the standard market rate (see definition in Agreement) in effect for Garage at that time. Wayne-Rocks' right to lease parking spaces shall be guaranteed for six additional years following the expiration of the initial lease term. If at the end of Year Four, Wayne-Rocks does not continue to lease all six spaces in the Garage, its right to lease spaces under this Agreement is terminated.

- 17. Parking Agreement, by and between Vestry of St. Paul's Parish of Baltimore Co., and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002 and recorded in the Baltimore City Land Records on September 4, 2002 (F.M.C. No. 2845, Page 241).**

The City will provide free parking on Sundays, Thanksgiving, Christmas Eve, Christmas day and New year's Day and for \$1.00 per car all day on Saturdays and any Business Day after 12:00 PM (Noon) for the members of St. Paul Church with validated parking tickets. The City and the Church shall work together to develop a mutually acceptable means of validation. The Church will bear the any and all cost of the validation program. The Church agrees to use its best reasonable efforts to ensure that parking under this Agreement is used only for its members and visitors and not for any other purpose. The Church shall not request a donation or charge it members for use of the parking

Parking is subject to availability but the Church shall have the parking rights equal to users of the Garage paying market rate.

This Agreement remains in effect so long as the City owns the Garage. Upon sale of the garage by the City, the Church's rights under this Agreement shall continue for the shorter of a) three years following settlement and b) the period during which Parcel A is used for parking purposes.

- 18. Parking Agreement and Lease, by and between The Daily Record and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002 and recorded in the Baltimore City Land Records on September 4, 2002 (F.M.C. No. 2845, Page 209).**

The City will provide six (6) parking spaces to The Daily Record for its employees in the Garage, once it is completed, under the following terms

Year 1	\$50 per space per month
Year 2	\$75 per space per month
Year 3	\$100 per space per month
Year 4	\$125 per space per month

The Daily Record shall make monthly installment for the spaces in advance on the first day of each month when payment due. The City will charge a late fee, interest on such delinquent payments at the Prime Rate of interest as published in the Wall Street Journal plus 3%.

There will be no cost to The Daily Record for the initial magnetic cards controlling access to the Garage. The Daily Record is responsible for all replacement magnetic cards. Parking spaces will be made available from 6:00 AM to 6:00 PM on week days and 6:00 AM to 1:00 PM on weekends.

At the end of Year 4, The Daily Record has the right to continue the lease of the six spaces at the standard market rate (see definition in Agreement) in effect for Garage at that time. The Daily Record's right to lease parking spaces shall be guaranteed for six additional years following the expiration of the initial lease term. If at the end of Year Four, the Daily Record does not continue to lease all six spaces in the Garage, its right to lease spaces under this Agreement is terminated.

At the end of Year 4, The Daily Record has the right to continue the lease of the six spaces at the standard market rate in effect for Garage at that time.

19. Parking Agreement and Lease, by and between the Tremont Plaza Hotel, LLC and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002 and recorded in the Baltimore City Land Records on September 4, 2002 (F.M.C. No. 2845, Page 225).

The City and the Tremont will enter into a five-year lease for the 13th floor of the Garage for use by the Hotel only for its valet parking operation, employees and other patrons for not less than 32-spaces, at \$3.00 per day per space. The Hotel has the option for three (3) five-year periods thereafter at 90% of the Average Comparable Cost (see definition in Agreement). The parking spaces on the 13th level will be available to the Tremont for its valet operation "24/7", 365 days per year. Any use of additional parking spaces within the Garage, not located on the 13th floor, will be at the posted rates for the Garage.

The Tremont shall make monthly installment for the spaces in advance on the first day of each month when payment due. The City will charge a late fee, interest on such delinquent payments at the Prime Rate of interest as published in the Wall Street Journal plus 3%.

The Tremont consents to monitor and control the use of the 13th level. The City will at its sole cause the parking spaces and the magnetic card-reader ticket arm, but the City shall not be responsible for any direct or indirect, willful or negligent acts or omissions of its employees, agents or guests. The Tremont is responsible for removal of snow from the 13th level, at it is sole cost. The City can decide, at its sole discretion, that snow removal is necessary to properly maintain the Garage and direct the Tremont to arrange for and pay for

said snow removal. The City will permit the Tremont to valet park on lower floors for twelve hours following the snowstorm.

At the end of each lease year, the City will inspect the 13th level and determine if there any extraordinary repairs (see definition in Agreement) are required. If extraordinary repairs are required, the City and the Tremont agree to split the cost 50/50.

The Tremont agrees to obtain all licensing requirements for its valet parking and to carry all insurance required by the City.

Right-of-First Offer

- 20. Right-of-First Offer, by and between Vestry of St. Paul's Parish of Baltimore Co. and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002 and recorded in the Baltimore City Land Records on September 4, 2002 (F.M.C. No. 2845, Page 178).**

City grants to St. Paul's Church a right of first offer with respect to the Garage if the City desires to sell or transfer the property at any time. The Church must match the offer and honor all parking agreements in effect, including the parking lease with the Tremont Plaza Hotel.

- 21. Right-of-First Offer, by and between the Tremont Plaza Hotel, LLC and the Mayor and City Council, approved by the Board of Estimates on April 24, 2002 and recorded in the Baltimore City Land Records on September 4, 2002 (F.M.C. No. 2845, Page 151).**

City grants to the Tremont Plaza Hotel a right of first offer with respect to the Garage, subordinate to the Right of First Offer of St. Paul's Church, if the City desires to sell or transfer the property at any time. The Church must match the offer and honor all parking agreements in effect, including the parking lease with St. Paul's Church for three years.

EXHIBIT 5 - Incentive Payments

The IRS regulations rule and govern all arrangements for incentive fees paid to operators of garages based length of contract term, amount of incentive payment and based on the source of funding used to finance the garage.

This facility was financed with taxable bond financing which offers more flexibility than tax-exempt financed garages. The Operator's Incentive Payment proposals shall be subject in all respects and negotiated in accordance with applicable law governing the financing of this facility.

The compensation to be paid to the Operator shall be in accordance with IRS regulations and terms of the Management Agreement. Such compensation may further require compliance with the operating standards contained in mutually negotiated terms and conditions based on a number of factors; including, but not limited to; the revenue threshold, operating expense reduction benchmarks, performance and other criteria established by the Authority.

The "Annual Base Management Fee" for the first twelve (12) months of the initial term of the prospective Agreement shall consist of the three (3) items identified in the Management Fee Section on page 2 of this RFP, which shall be subject to increase in each twelve-month period thereafter based on the percentage of any increase in the CPI Index, determined in accordance with the paragraph below as follows.

The specific CPI to be utilized shall be the CPI-U for the Baltimore Metropolitan area- All Items. Changes in the CPI Index for calculating the Base Annual Management Fee for the second year of the term will be determined by comparing the CPI Index for the month preceding the commencement of the term of this Agreement, to the CPI Index for the twelfth calendar month thereafter (the "**Adjusted Index**"). For the third year of the term, the comparison will be between the Adjusted Index and the CPI Index for the twelfth month thereafter.

The "**Incentive Fee**" for each year of the term of this Agreement shall be proposed by the Respondent and negotiated between the parties and will be paid within thirty (30) days after receipt of the [required annual report](#). Any compensation may be withheld to the extent of any violations of the proposed management agreement, in which the Operator was notified and failed to reasonably correct, which constitute part of the critical operating standards for the Facility, unless prior written approval, in each instance, is obtained from the Authority.

The Authority reserves the right to deduct the total amount of lost or missing tickets, undercharges, shortages, and repair to City equipment caused due to negligence either on the part of the Operator's employees or the Operator's failure to properly maintain said equipment, from the Operator's Monthly Base Management Fee.